

# STATE OF ALASKA

## DEPT. OF ENVIRONMENTAL CONSERVATION DIVISION OF WATER

**SEAN PARNELL, GOVERNOR**

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<http://www.state.ak.us/dec>

April 28, 2010

Dear Utility:

This letter is being sent to you on announcing ADEC's public notice of the State Fiscal Year (SFY) 2011 Alaska Clean Water Fund (ACWF) and Alaska Drinking Water Fund (ADWF) Intended Use Plans (IUP). The IUP's demonstrate how the ACWF and ADWF intend to use the anticipated capitalization grant and program revenues of \$36 million and \$18 million, respectively to fund sanitation infrastructure projects. To date these programs have provided an estimated \$500 million dollars for Alaska sanitation infrastructure projects at finance rates well below market-rates.

Unique to this year's funding is the inclusion of a funding subsidy through principle forgiveness and the eligibility of Green type projects. These additions to each loan program are similar to what was offered last year for projects funded under the American Recovery and Reinvestment Act of 2009 (ARRA). ADEC intends to offer subsidized funding on projects listed under each of the loan programs as follows:

ADWF: 50% Subsidy (as principle forgiveness) with a Cap of \$1.5 Million

ACWF: 15% Subsidy (as principle forgiveness) with a Cap of \$1.0 Million

The remaining unsubsidized amount will be treated as a conventional loan through our program with financing up to 20 years at a finance rate of 1.5%. Additional information on funding subsidy and Green projects may be referenced in the draft IUP documents which can be accessed at the web link at the end of this letter.

Please take this opportunity to provide input on the draft IUP or either loan program. A 30-day period for public comment on the draft IUP documents will begin on April 28, 2010.

Any comments regarding this unique funding opportunity as well as ways in which we can improve the funding process are welcome. Please write or e-mail either:

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We have included draft funding lists with this letter and have made a full copy of each draft IUP available at our web site given below. The Final Intended Use Plans will be available on-line and upon request a copy can be mailed to you after we have considered all public comments.

For full copies of the draft IUP, please call me, or refer to the internet at

[www.state.ak.us/dec/dfco/adwfdraftiup11.pdf](http://www.state.ak.us/dec/dfco/adwfdraftiup11.pdf)  
[www.state.ak.us/dec/dfco/acwfdraftiup11.pdf](http://www.state.ak.us/dec/dfco/acwfdraftiup11.pdf) .

or

We look forward to hearing from you.

Sincerely,



Michael P. Lewis  
Program Manager

Enclosure: DRAFT 2011 Alaska Clean Water Fund Intended Use Plan  
Funding List

DRAFT 2011 Alaska Drinking Water Intended Use Plan  
Funding List